

## Greater Transparency and Accountability From Freestanding ERs

Freestanding ERs (FSERs) are a relatively new, lucrative business model that is leaving patients with sticker shock from outlandishly expensive medical bills. Texans continue to experience confusion and frustration with misleading advertising and exorbitant prices when they seek care from FSERs. Many of these facilities have demonstrated a pattern of withholding important information from patients regarding their network status or the fees they will charge for their services.

FSERs often use confusing advertising to intentionally mislead patients into believing they accept their insurance plans for full payment, but in reality, most choose not be in network in order to charge higher prices. Patients often get slapped with a bill that can be 20x what an urgent care center would charge for the same services. In Texas, FSERs are responsible for over 83% of all ER out-of-network facility services, leaving patients stuck with expensive surprise medical bills, often for thousands of dollars.

These unnecessary high prices and surprise balance bills drive up the cost of health care and insurance premiums for all Texans. FSERs are responsible for more than \$3 billion in unnecessary health care costs in Texas every year.

### TAHP Supports Pro-Consumer HB 2041 by Oliverson

- Protects consumers from price-gouging and surprise bills by strengthening transparency requirements for FSERs.
- Prohibits FSERs from using deceptive marketing or misleading statements that may cause a patient to incorrectly believe the facility is in network.
- Requires a new written disclosure that lists the facility's observation and facility fees.
- Puts an end to the use of confusing and misleading language that confuses consumers about the network status of FSERs.
- Prohibits FSERs from using phrases like "we take" or "accept" all insurance if they are not in network with insurers.
- Prohibits FSERs from using a health plan's logo or name if the facility is not in network with that plan.

## Freestanding ERs Are Intentionally Misleading Texans

A recent AARP investigation found that many FSERs are not following Texas transparency laws. Instead, they are misleading Texans about being in network and putting them at risk for expensive surprise medical bills.



**30%**  
of FSER websites do **NOT** comply with state transparency laws about their network status



**almost 30%**  
of FSERs, when asked, claimed they were in BCBSTX network when they were not



**77%**  
of FSERs use misleading language like "take" or "accept" insurance but are not in major plan networks

Source: AARP, The Truth About Freestanding ERs, 12/18.

# Freestanding ERs Can Be 20x More Expensive Than Urgent Care Centers With 75% Overlap in Services

## 75% Overlap



**in services between Freestanding ERs and Urgent Care Facilities**

Source: Annals of Emergency Medicine; Comparing Utilization and Costs of Care in Freestanding Emergency Departments, Hospital Emergency Departments, and Urgent Care Centers; 12/17.

## The Real Pain of Visiting a Freestanding ER: \$3K for Strep Throat

There is nothing “free” about your neighborhood freestanding ER. Freestanding ERs charge up to 20X more than urgent care centers for the same services.

### STREP THROAT

<p>Freestanding Emergency Department</p> <p><b>\$2,732</b></p>	<p>Hospital-Based Emergency Department</p> <p><b>\$1,784</b></p>	<p>Urgent Care Center</p> <p><b>\$159</b></p>	<p>Physician Office</p> <p><b>\$128</b></p>
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Source: UnitedHealth Group; Freestanding Emergency Departments: Treating Common Conditions at Emergency Prices; 12/17.

The cost of treating strep throat at a Texas FSER:

- 21** times higher than at a physician office
- 17** times higher than at an urgent care center
- 53** percent more than at a hospital-based ED

## Real Examples of Misleading Information and Advertising at FSERS

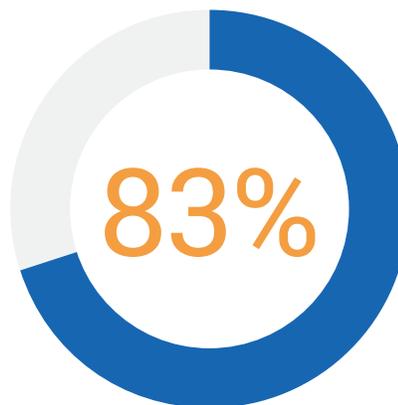


### All Health Insurance Plans Accepted

We honor in-network billing for all private health insurance plans including: Aetna, UnitedHealth, Humana, Cigna, and Blue Cross Blue Shield.

## FSERs Are Chronically Out of Network

**Putting Texans at Risk for Surprise Billing**



**of all Texas out-of-network ER facility claims occur at FSERs**